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November 7, 2000

Manager, Dissemination Branch
 Information Management and Services Division
 Office of Thrift Supervision
 1700 G Street, NW
 Washington, D.C. 20552

Re: Interim Rule on Repurchase of Stock by Recently Converted Savings Associations, Mutual Holding Company Dividend Waivers, Gramm-Leach-Bliley Act Changes; 12 CFR Parts 563b and 575; 65 Federal Register 43088. July 12, 2000; **Attention Docket No. 2000-56.**

Proposed Rule on Mutual Savings Associations, Mutual Holding Company Reorganizations, and Conversions From Mutual to Stock Form; 12 CFR Parts 563b and 575; 65 Federal Register 43092, July 12, 2000; **Attention Docket No. 2000-57.**

To Whom It May Concern:

The Wisconsin Bankers Association (WBA) is the largest financial institution trade association in Wisconsin, representing nearly 400 state and nationally chartered banks, savings banks and savings and loan associations located in communities throughout the state. WBA appreciates the opportunity to comment on the Notice of Proposed Rulemaking concerning Mutual Savings Associations, Mutual Holding Company Reorganizations, and Conversions from Mutual to Stock Form ("Proposed Rule") and the interim final rulemaking on Mutual Holding Companies and Dividend Repurchases ("Interim Final Rule") issued by the Office of Thrift Supervision (OTS) on July 12, 2000. WBA represents over 90% of the mutual institutions in the state of Wisconsin that are interested in the outcome of the Proposed Rule and Interim Final Rule.

WBA Generally Supports the Efforts of the OTS to Promote Mutual Savings Banks and Savings Associations as Outlined in the Proposed Rule and Interim Final Rule.

In general, WBA supports the OTS efforts to improve the regulatory scheme for mutual institutions and mutual holding companies, and to enhance the viability of the mutual form of organization. Mutual institutions are among the oldest form of depository institution in the country designed to assist individuals to save and

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achieve personal financial goals. There are 28 mutual institutions in Wisconsin that are very committed to contributing to their local communities and the customers they serve through a continued long-standing mutual form of ownership.

WBA strongly believes that all depository institutions should retain the freedom to choose the form of organization that best meets their strategic and market objectives. Toward that end, WBA encourages OTS to develop final regulations that both improve the regulatory process while preserving an institution's flexibility to choose the corporate form best suited to its business. Finally, WBA supports the issuance of guidance to clarify that compensation policies designed to attract and retain qualified employees will be within the purview of management, and that OTS examiners will review these plans only for safety and soundness reasons, relying principally on management for the review of these plans.

WBA Encourages OTS To Issue Final Regulations That Make the Mutual Holding Company Form More Attractive As An Alternative To A Full Conversion.

WBA believes that the Proposed Rule and Interim Final Rule, when taken together, achieve most of OTS' goal of making the mutual holding company form more attractive as an alternative to a full conversion. In particular, the ability to waive dividends without shareholder dilution in the event of a subsequent full conversion and the ability to base option grants for up to 10% of the shares that could have been sold are significant enhancements.

However, for those institutions that have formed and been operating under a mutual holding company structure for some time, the inability to raise additional equity capital once an institution has sold 49.9% of the stock becomes an unfortunate limitation. For those mutual holding companies that have already taken full advantage of the additional regulatory capital that can be generated through REIT and/or trust preferred stock sales, the only alternative left for generating additional capital through retained earnings under the current rules is to go to a full conversion. Unfortunately, a full conversion is not a realistic alternative for some mutual holding companies that want to retain the advantages of the mutual holding company structure.

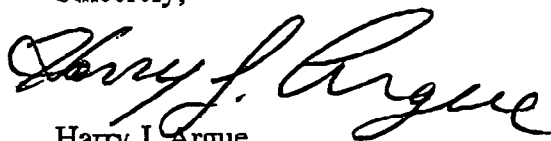
WBA strongly encourages OTS to think creatively about how to strengthen the mutual holding company structure by remaining open to new ideas on how to facilitate additional capital creation for those mutual holding companies that have already sold 49.9% of the voting stock. One possible solution would be to authorize the offering of nonvoting stock for sale that would have a claim to just the economic interest held by the remaining 50.1% of the shares. Splitting out the economic value from the management and control rights associated with corporate stock ownership is not a new concept, but its application to the thrift industry generally, and mutual holding companies in particular, would be new.

Conclusion.

WBA supports OTS in its efforts to provide an enhanced regulatory scheme for mutual organizations. To accomplish this goal, WBA encourages OTS to issue final regulations that will retain and improve the competitiveness and viability of mutual institutions and mutual holding companies.

WBA appreciates the opportunity to comment on this important matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Harry J. Argue".

Harry J. Argue
Executive Vice President/CEO

Cc: Donna Tanoue, Chairman, FDIC
Diane Casey, President, ACB
C. Dawn Causey, ABA